

House Lifts Offshore Drilling Ban

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WASHINGTON -- Congress has taken a major step toward allowing oil and gas drilling in coastal waters that have been off limits for a quarter-century.

Still, a battle looms in the Senate over the issue. And the Bush administration's support for the legislation, which was approved Thursday by a 232-187 vote in the House, is lukewarm.

The House bill would end an Outer Continental Shelf drilling moratorium that Congress has renewed every year since 1981. It covers 85 percent of the country's coastal waters _ everywhere except the central and western Gulf of Mexico and some areas off Alaska.

Rep. Richard Pombo, R-Calif., a leading proponent for lifting the ban, said he believes a majority of the Senate wants to open the protected waters to energy companies.

Asked about White House opposition to some parts of the bill, especially a provision that would give tens of billions of dollars to states that have drilling rigs off their coasts, Pombo said, "I dare them to veto this bill."

"They don't like us giving money back to the states. I think it's right," Pombo told reporters after the vote. Forty Democrats joined most Republicans in favor of ending the drilling moratorium.

In the Senate, the measure is likely to face a filibuster from Florida senators and possibly others from coastal states that fear offshore energy development could threaten multibillion-dollar tourist and recreation businesses if there were a spill.

The Senate is considering a limited measure that would open an area in the eastern Gulf of Mexico, known as Lease Area 181, that goes within 100 miles of Florida. It is not under the moratorium. Even that is unlikely to pass unless its sponsors get 60 votes to overcome a filibuster from the Floridians.

Sen. Pete Domenici, R-N.M., chairman of the Energy and Natural Resources Committee, said he would pursue efforts to open the Lease 181 Area. The committee's ranking Democrat, Sen. Jeff Bingaman, also of New Mexico, criticized the House-passed bill, saying it would eventually create "a huge hole in our federal budget and undermine environmental protections on our lands and off our coasts."

The House vote was a huge victory for Pombo, two Louisiana lawmakers _ Republican Bobby Jindal and Democrat Charlie Melancon _ and Rep. John Peterson, R-Pa., who spearheaded the drive to lift the moratorium.

Only six weeks ago, a proposal by Peterson to open coastal waters to natural gas development fell 14 votes short.

This time, they included a provision that would allow states to keep the moratorium in place if they opposed drilling and changed the revenue sharing so that states' share of royalties would soar eventually as much as 75 percent.

The Gulf states where most U.S. offshore energy resources are being tapped, now get less than 5 percent of the royalties. For example, Louisiana's royalties would go from \$32 million last year to a total of \$8.6 billion over the next 10 years _ and even higher after that.

The Interior Department estimated that the changes could cost the federal government as much as \$69 billion in lost royalties over 15 years and "several hundred billion dollars" over 60 years.

The White House issued a statement saying it favors much of the bill but strongly opposes the changes in royalty revenue sharing, which it said "would have a long-term impact on the federal deficit."

The Interior Department estimates there are about 19 billion barrels of recoverable oil and 86 trillion cubic feet of natural gas beneath waters under drilling bans from New England to southern Alaska.

Supporters of the drilling moratorium argue there's four times that amount of oil and gas available in offshore waters open to energy companies, mainly in the central and western Gulf of Mexico and off parts of Alaska. And they say energy companies are only developing a fraction of the government leases they have available to them.

The country uses about 21 million barrels of oil a day.

While critics of the offshore drilling restrictions argue the additional oil and gas is needed if the country is to move toward greater energy independence, supporters of the bill fear energy development could despoil coastal beaches and threatens their recreation and tourism based economies.

"Our beaches and our coastline is what is critical to Floridians," declared Rep. Jim Davis, D-Fla. "We should not be sacrificing our economy, our environment for a little oil and gas."

Pombo countered that drilling still would be prohibited within 50 miles of shore under the bill and states could extend the ban up to 100 miles. He ridiculed the bill's critics as "opposing everything" when it comes to increasing domestic energy production.

"You can't say no on everything," Pombo proclaimed.

Rep. Lois Capps, D-Calif., said states would have to overcome numerous hurdles to continue the drilling restrictions, including having state legislatures and the government seek such protection every five years.